

PRECOSTING- POSTCOSTING-WHY?

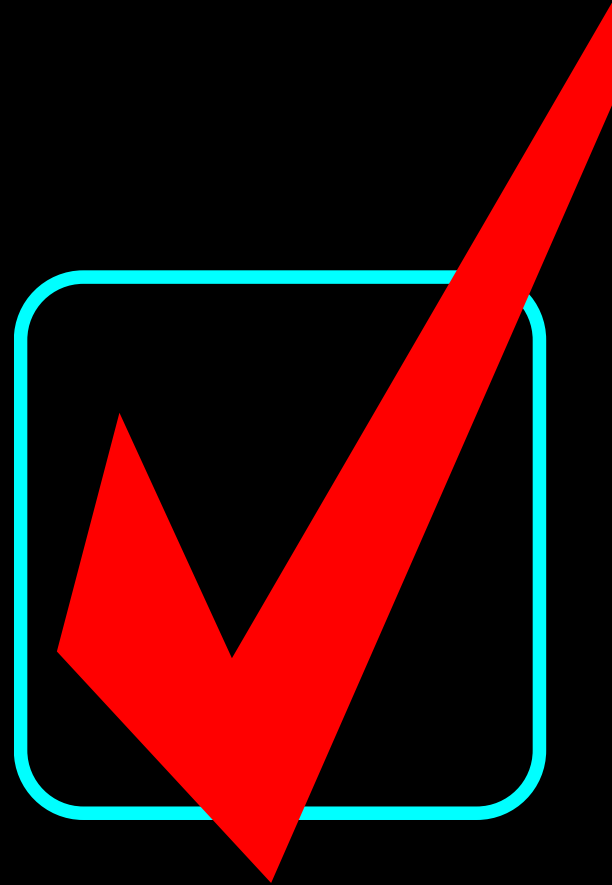
Steps to controlling costs

- Cycle menus (short)
- Pre-costing
- Standardized recipes
- Forecast and order
- Cook just in time
- Portion control
- Use of leftovers
- Post-costing



Determining food costs

- Add the beginning of the month inventory to the cost of the food purchased or received from commodities
- Subtract end-of-month inventory



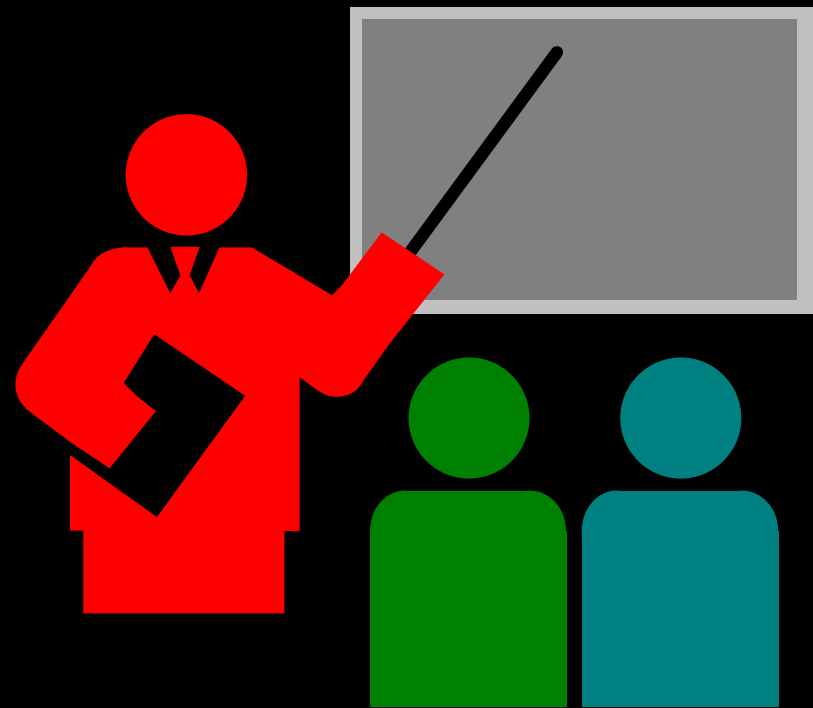
Manager's responsibilities



- Forecasting & ordering
- Preparation procedures
- Portion control
- Leftovers
- Inventory and inventory control

Food Service Director's & Manager's responsibilities

- MENUS
- RECIPES
- TRAINING



Benefits from using standardized recipes

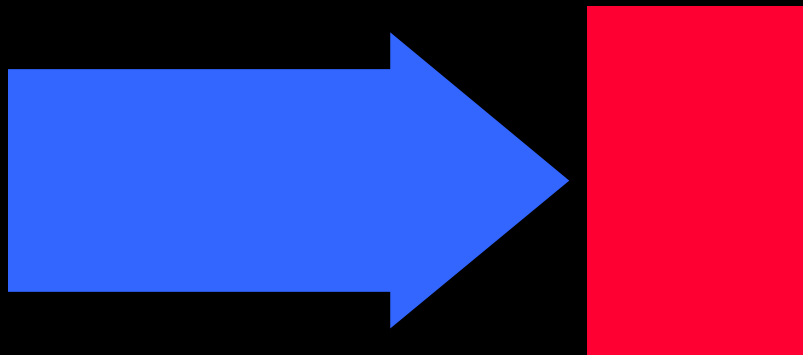
- Quality control
- Portion control
- No substitutions
- Cost control
- Time savings
- Inventory control
- Consistent results

Why precost?

- To determine if the food item or menu is affordable
- Establishing ideal food cost for the menu
- Sets a standard as to how much a menu should cost
- Suggest including value of commodities when precosting

Roadblocks to precosting

- Waste from preparing too much
- Serving larger portions than planned

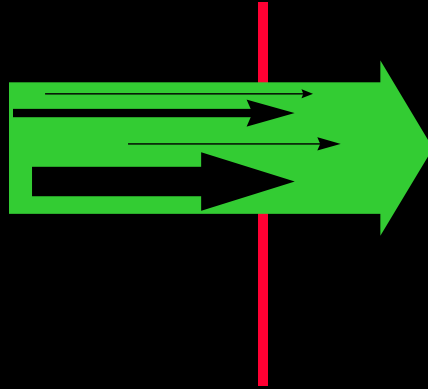


Arriving at the cost of food items

- Determine number of servings or portions each purchase unit will provide
- Forecast the number of servings taking into consideration offer vs. serve
- Forecast is obtained from prior production records

Arriving at the average cost of a menu item

- Use a forecasted number of servings and the cost per serving to project out total cost of the menu items
- Divide by forecasted number of servings



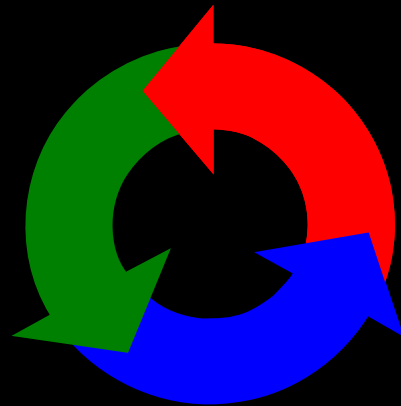
Why postcost?

- Checks standards established during precosting
- Actual cost of producing and serving a menu may be much greater than the precosted menu



Determining postcost of a menu or food item

- Record all foods taken from storage and cost out
- Leftovers may be deducted if they are effectively used



Determining postcost of a menu or food item

- Production records must be completed for all foods prepared
- Use this form for costing



**THE DIFFERENCE IN
PRECOSTING AND
POSTCOSTING SHOULD BE NOT
MORE THAN 2%!!!!**

